

Financial Results for the Fiscal Year Ending March 2021

May 13, 2021

CKD Corporation

Ticker Code 6407

CKD

the Fiscal Year Ending March 2021

- **Summary of Financial Results**
- **Investments**
- **Shareholders' Return**
- **State of Medium-term Management Plan**
- **10-Year Vision**

Summary of Financial Results

■ Year-on-year increases in net sales and income

Net sales + 6%

Operating income +47%



Management Results

(Unit: one hundred million yen)

	FY20/3 Results	FY21/3 Results	Year-on-year	
			Amount change	% change
Consolidated net sales	1,007	1,067	+ 60	+ 6%
Automatic machinery	158	142	- 16	- 10%
Components	849	926	+ 76	+ 9%
Operating income (Operating income ratio)	52 (5.2%)	77 (7.2%)	+ 25	+ 47%
Ordinary income	54	78	+ 24	+ 46%
Net income	37	53	+ 16	+ 43%

Financial Status

(Unit: one hundred million yen)

	At the end of March, 2020	At the end of March, 2021	Year-on-year	
			Amount change	% change
Current assets	854	1,018	+ 164	+ 19%
Fixed assets	506	509	+ 3	+ 1%
Total assets	1,361	1,527	+ 167	+ 12%

Current liabilities	378	416	+ 39	+ 10%
Fixed liabilities	158	135	– 24	– 15%
Total liabilities	536	551	+ 15	+ 3%

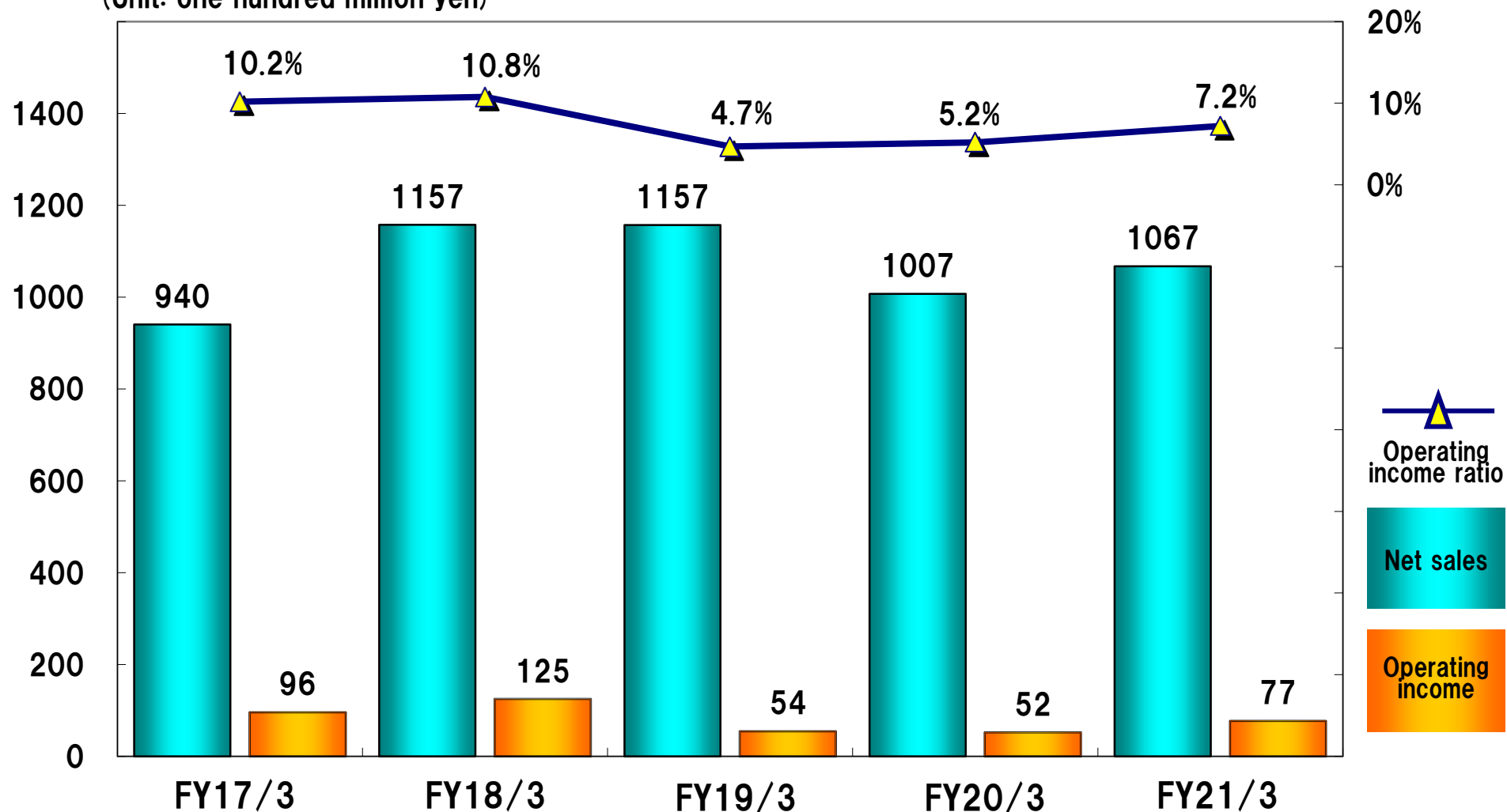
Total net assets	825	976	+ 152	+ 18%
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Capital adequacy ratio	60.5%	63.8%	–	+ 3.4%
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Consolidated Net Sales and Operating Income

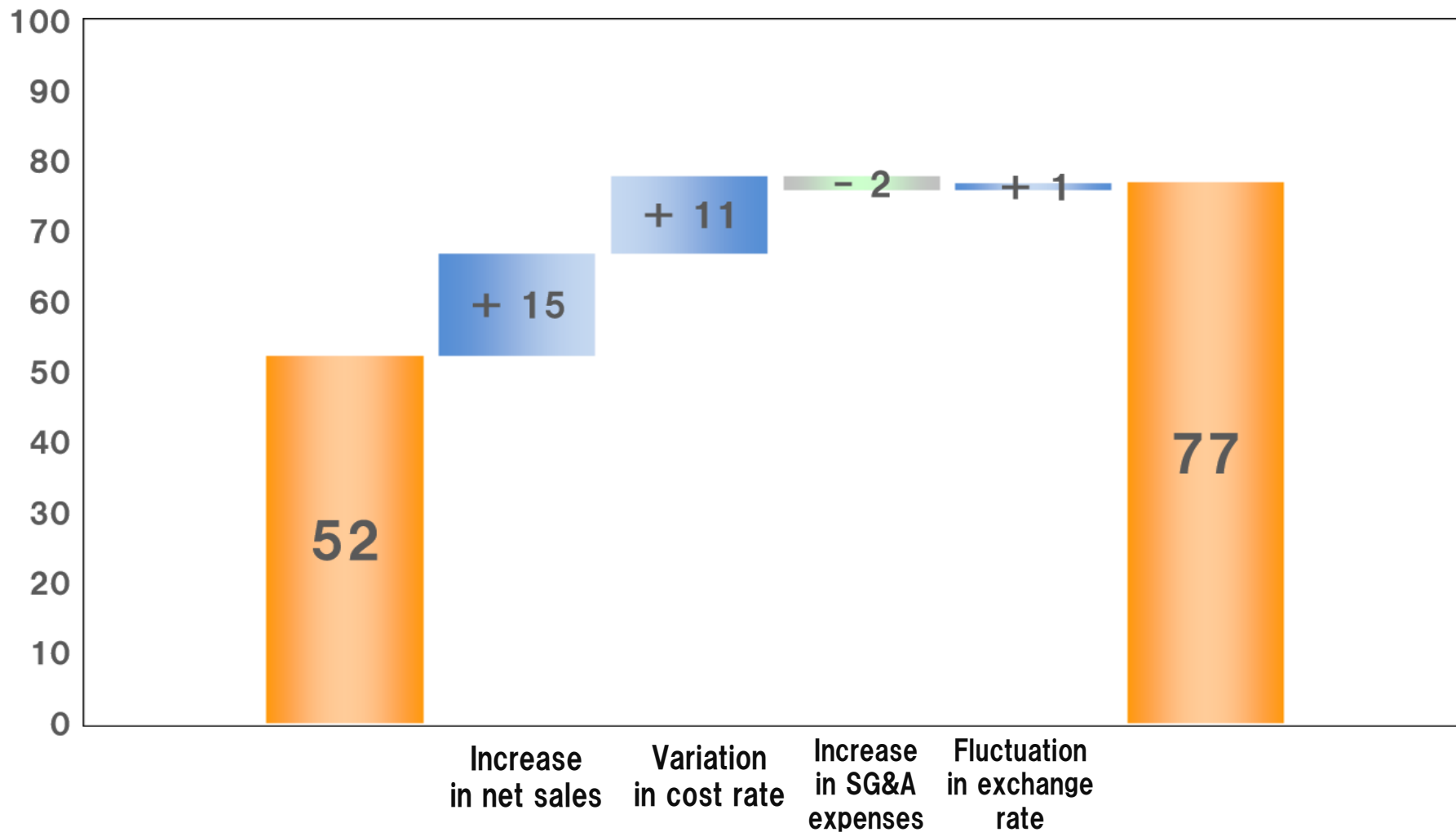
FY21/3	Net sales	Operating income	Operating income ratio	() YoY
Full-year Results	106.7 billion yen(+6.0)	7.7 billion yen(+2.5)	7.2%(+2.0)	

(Unit: one hundred million yen)



Factors of Changes in Operating Income

(Unit: one hundred million yen)



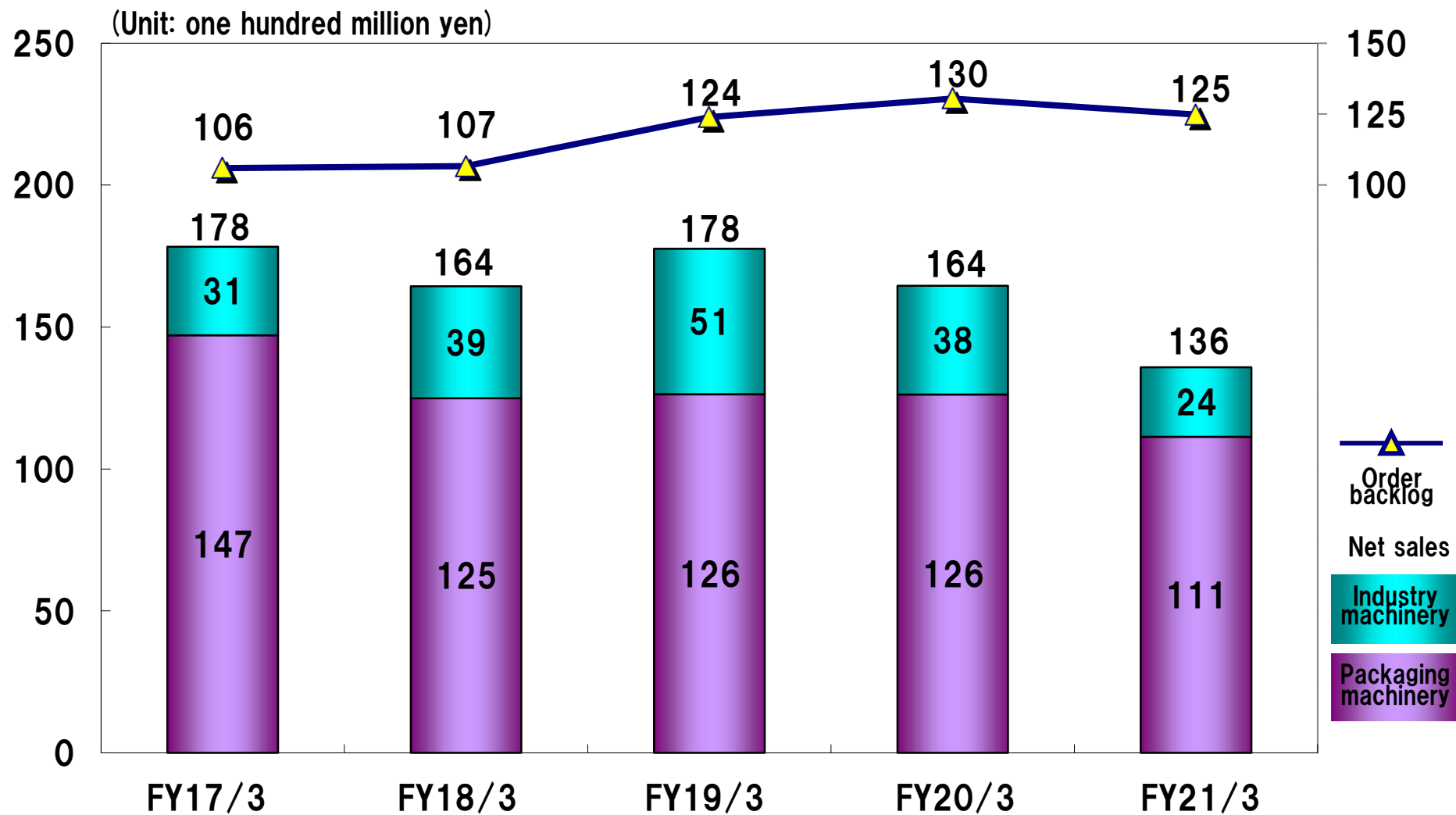
Exchange rate
FY20/3
¥109 (¥/\$)
¥15.6 (¥/CNY)

FY21/3
¥106 (¥/\$)
¥15.7 (¥/CNY)

Automatic Machinery: Orders Received

FY21/3	Orders received
Full-year Results	13.6 billion yen(-2.8)

() YoY

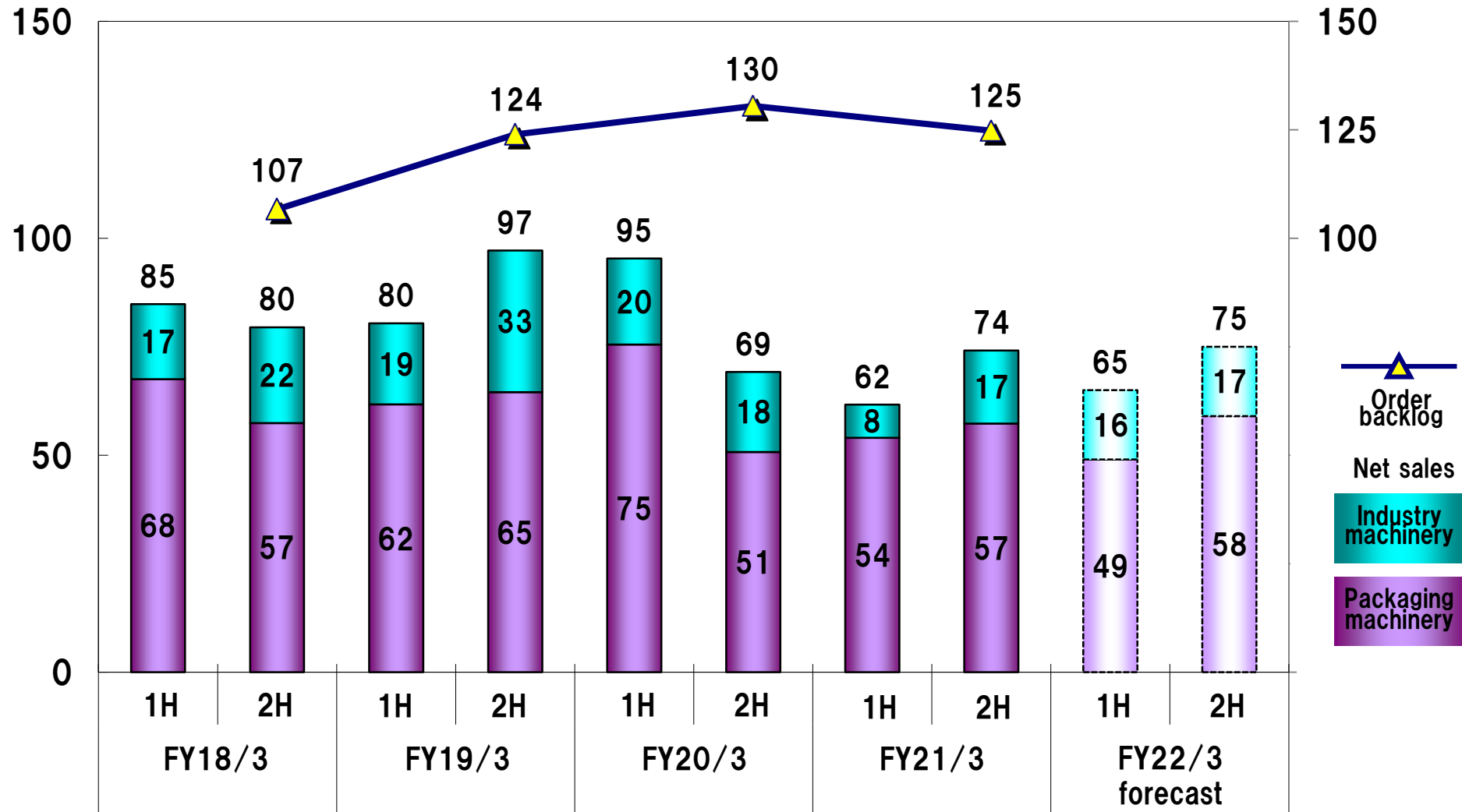


Automatic Machinery: Forecast of Orders Received

FY22/3	Orders received
1st half forecast	6.5 billion yen (+0.3)
Full-year forecast	14.0 billion yen (+0.4)

() YoY

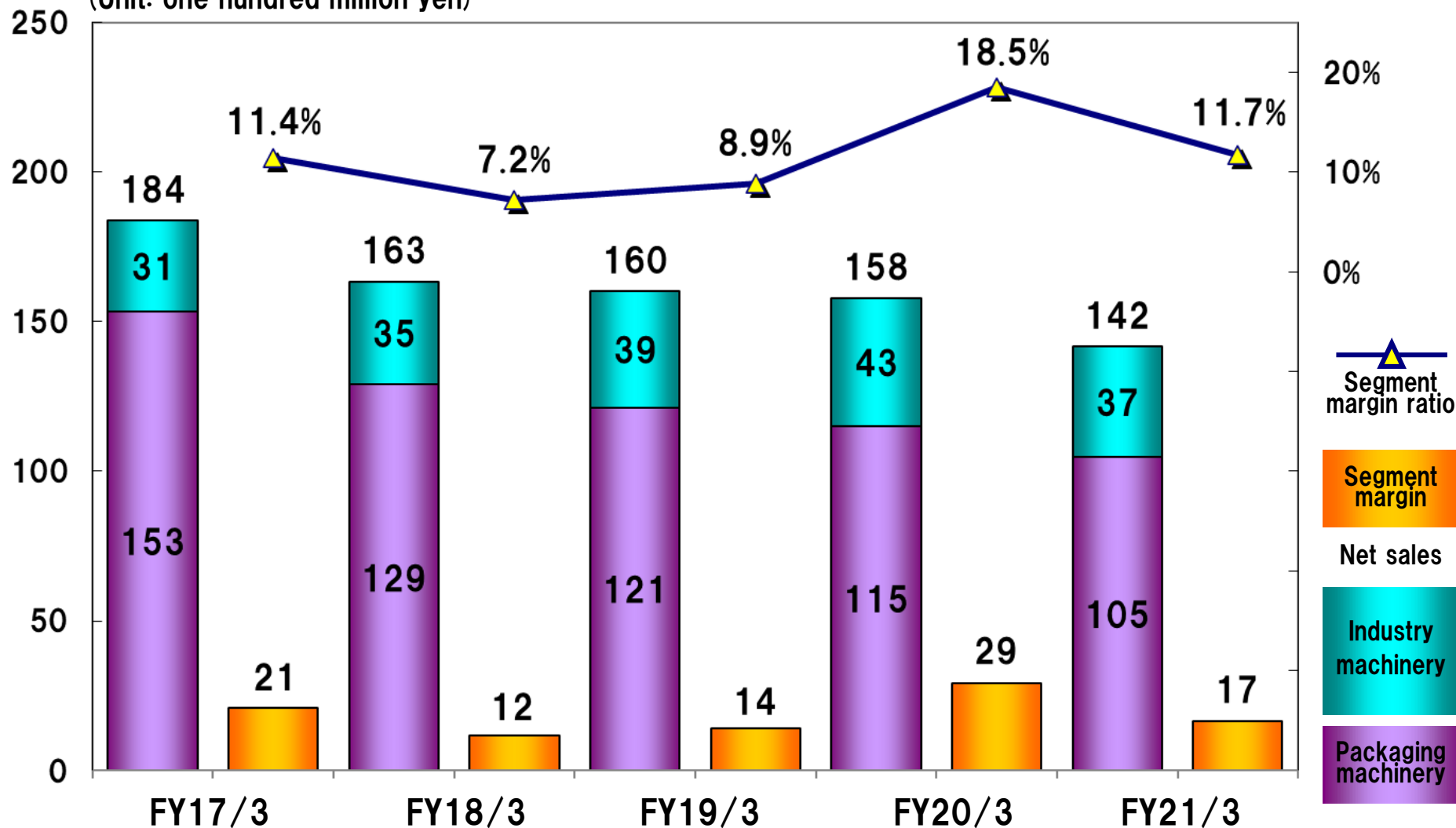
(Unit: one hundred million yen)



Automatic Machinery: Achievement Changes

FY21/3	Net sales	Segment margin	Segment margin ratio	() YoY
Full-year Results	14.2 billion yen(-1.6)	1.7 billion yen(-1.2)	11.7%(-6.8)	

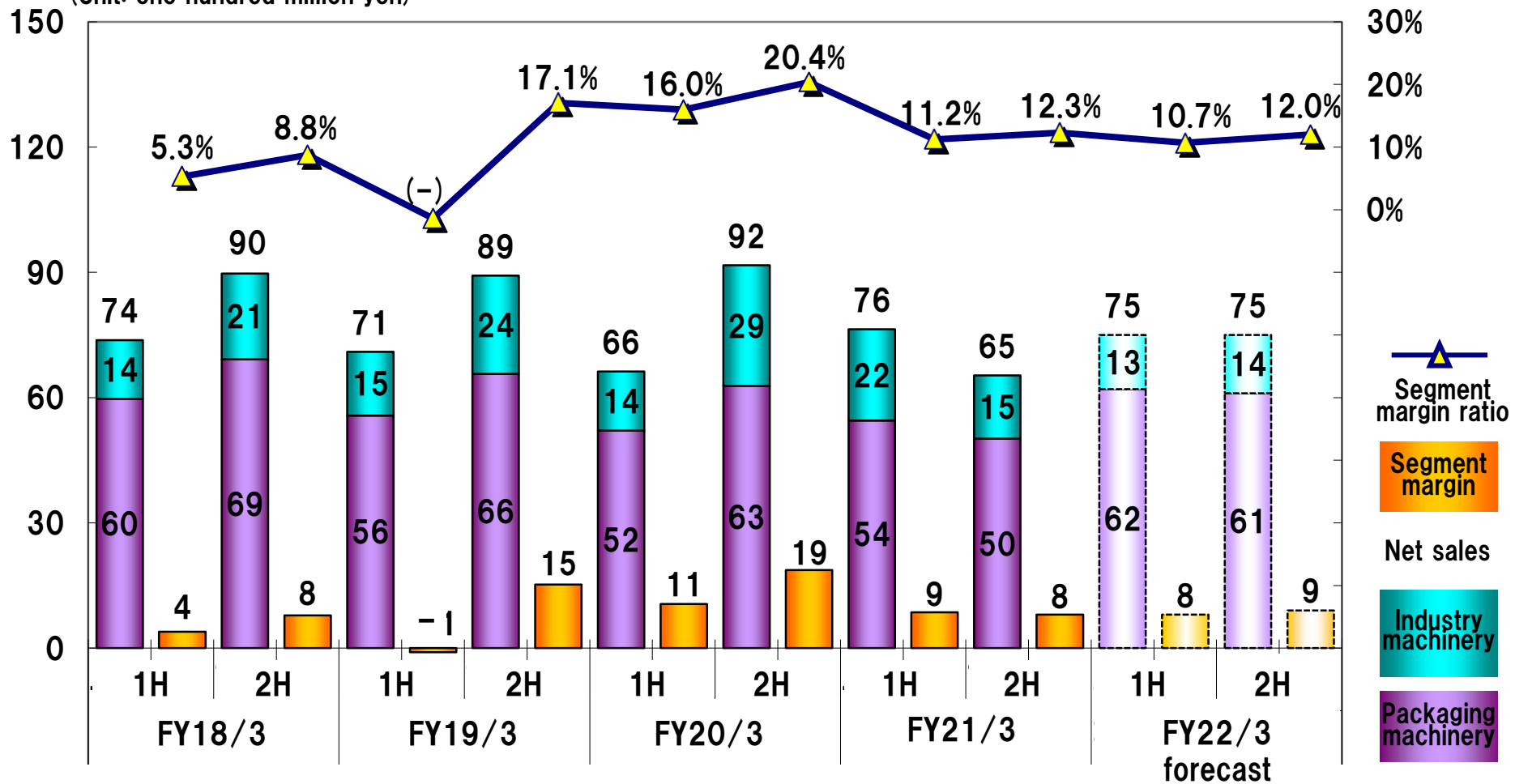
(Unit: one hundred million yen)



Automatic Machinery: Outlook of Performance

FY22/3	Net sales	Segment margin	Segment margin ratio	() YoY
1st half forecast	7.5 billion yen(-0.1)	0.8 billion yen(-0.06)	10.7%(-0.6)	
Full-year Results	15.0 billion yen(+0.8)	1.7 billion yen(+0.04)	11.3%(-0.4)	

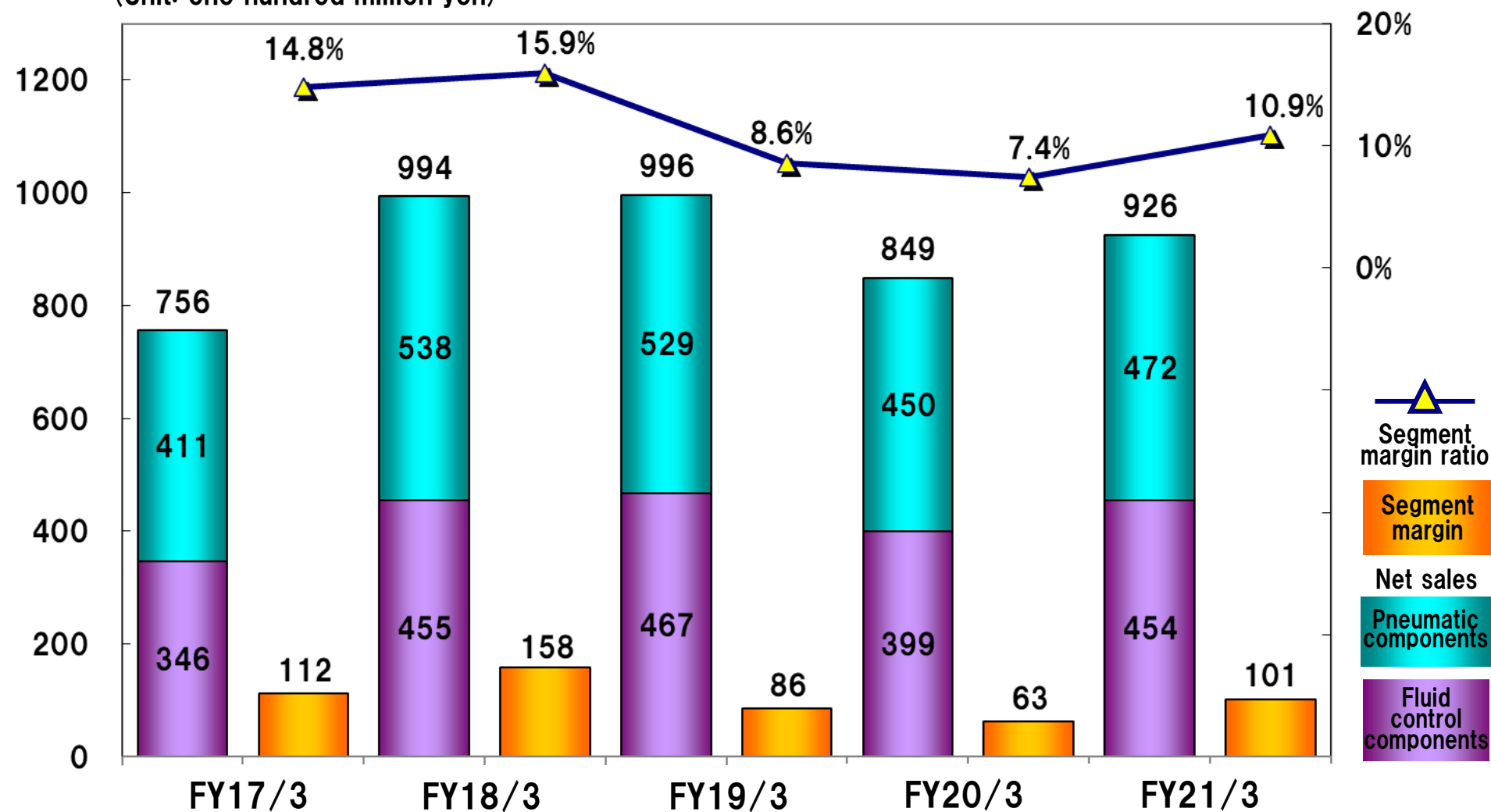
(Unit: one hundred million yen)



Components: Achievement Changes

FY21/3	Net sales	Segment margin	Segment margin ratio	() YoY
Full-year Results	92.6 billion yen(+7.6)	10.1 billion yen(+3.8)	10.9%(+3.5)	

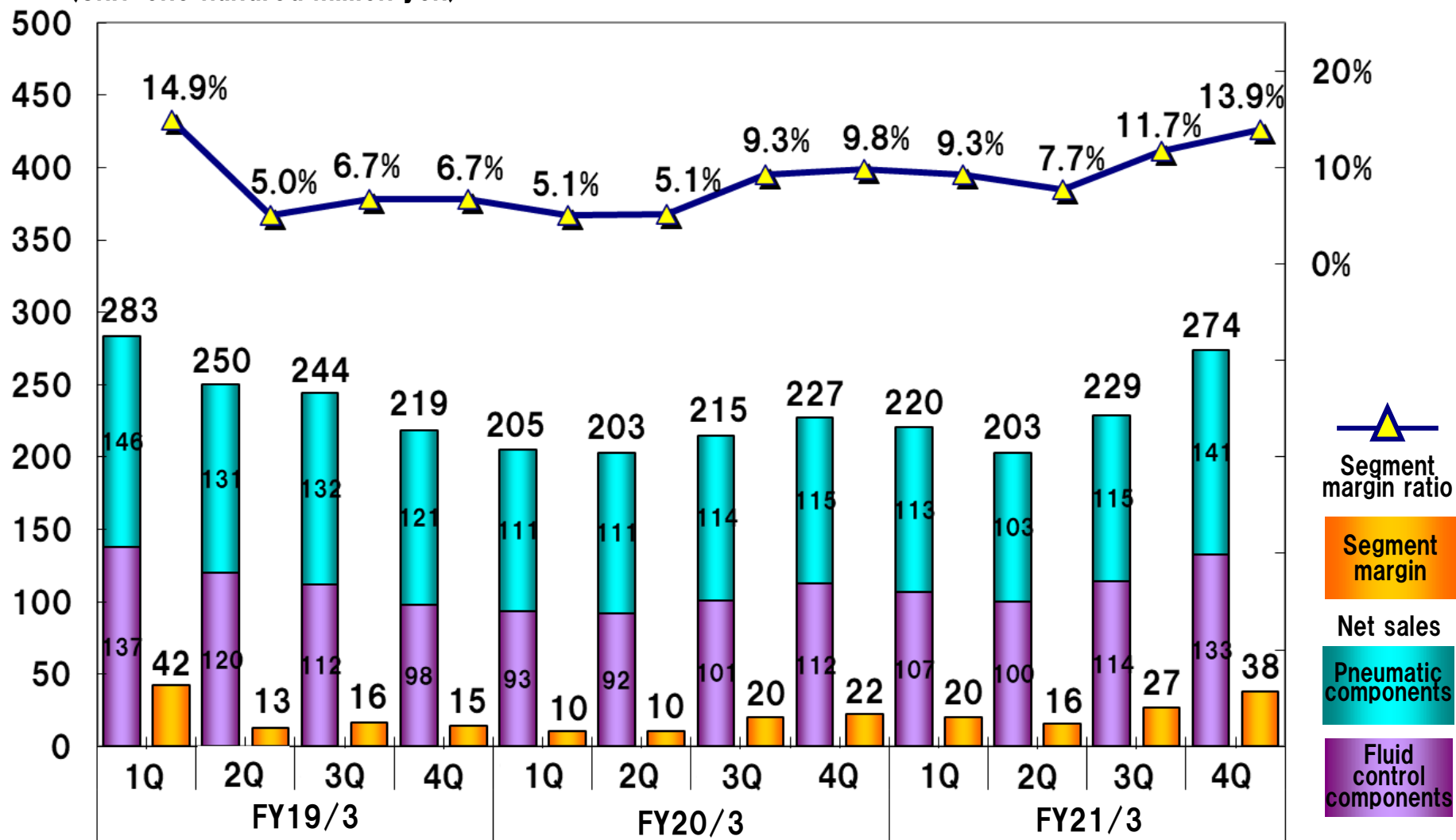
(Unit: one hundred million yen)



Components: Achievement Changes (Quarterly)

FY21/3	Net sales	Segment margin	Segment margin ratio	() YoY
Full-year Results	92.6 billion yen(+7.6)	10.1 billion yen(+3.8)	10.9%(+3.5)	

(Unit: one hundred million yen)



Components: FY21/3 Results by Market

*Compared with Year-on-Year results

(Unit: %)






















Main Industries in Japan	1st half results	2nd half results	Full-year results
Semiconductor	103	128	116
Automobile	79	91	85
Machine tool	68	103	86
Medical	98	100	99
Flat-panel display (FPD)	85	81	83
Rechargeable battery	85	83	84
Total	96	119	107










Main areas overseas (Exchange rate)	1st half results (107 ¥/\$)	2nd half results (106 ¥/\$)	Full-year results (106 ¥/\$)
East Asia	127	163	145
Southeast Asia	87	98	92
Total (Including Europe and Americas)	115	141	128

Components: FY22/3 Prospects by Market

*Compared with Year-on-Year results

(Unit: %)

Main Industries in Japan	1st half forecast	2nd half forecast	Full-year forecast
Semiconductor			
Automobile			
Machine tool			
Medical			
Flat-panel display (FPD)			
Rechargeable battery			
Total			

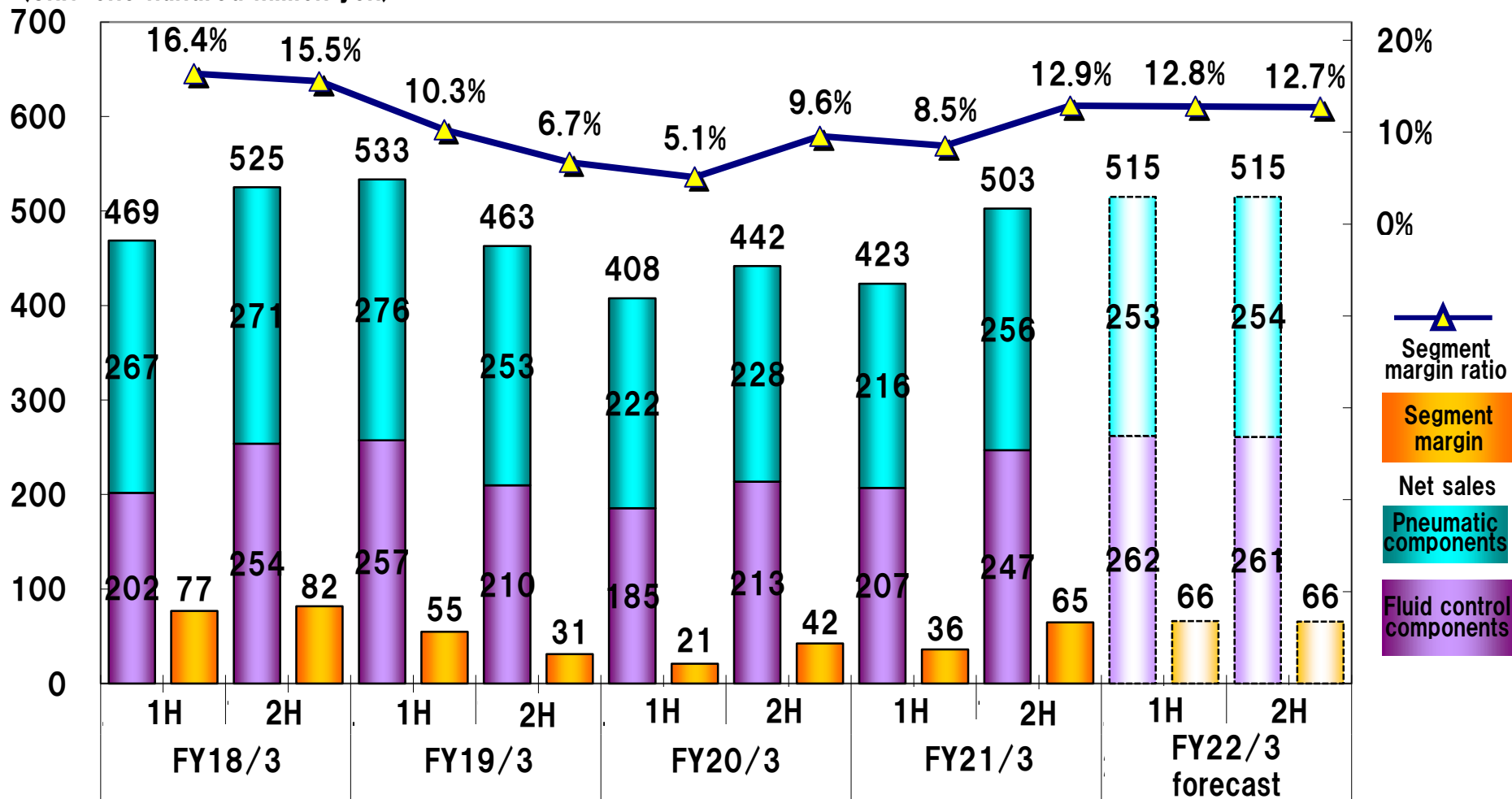
Main areas overseas (Exchange rate)	1st half forecast (105 ¥/\$)	2nd half forecast (105 ¥/\$)	Full-year forecast (105 ¥/\$)
East Asia			
Southeast Asia			
Total (Including Europe and Americas)			

Compared with Year-on-Year results ( 110~  100~109  90~99  80~89  ~79)

Components: Earnings Forecasts

FY22/3	Net sales	Segment margin	Segment margin ratio	() YoY
1st half forecast	51.5 billion yen (+9.2)	6.6 billion yen(+3.0)	12.8%(+4.3)	
Full-year Results	103.0 billion yen(+10.4)	13.2 billion yen(+3.1)	12.8%(+1.9)	

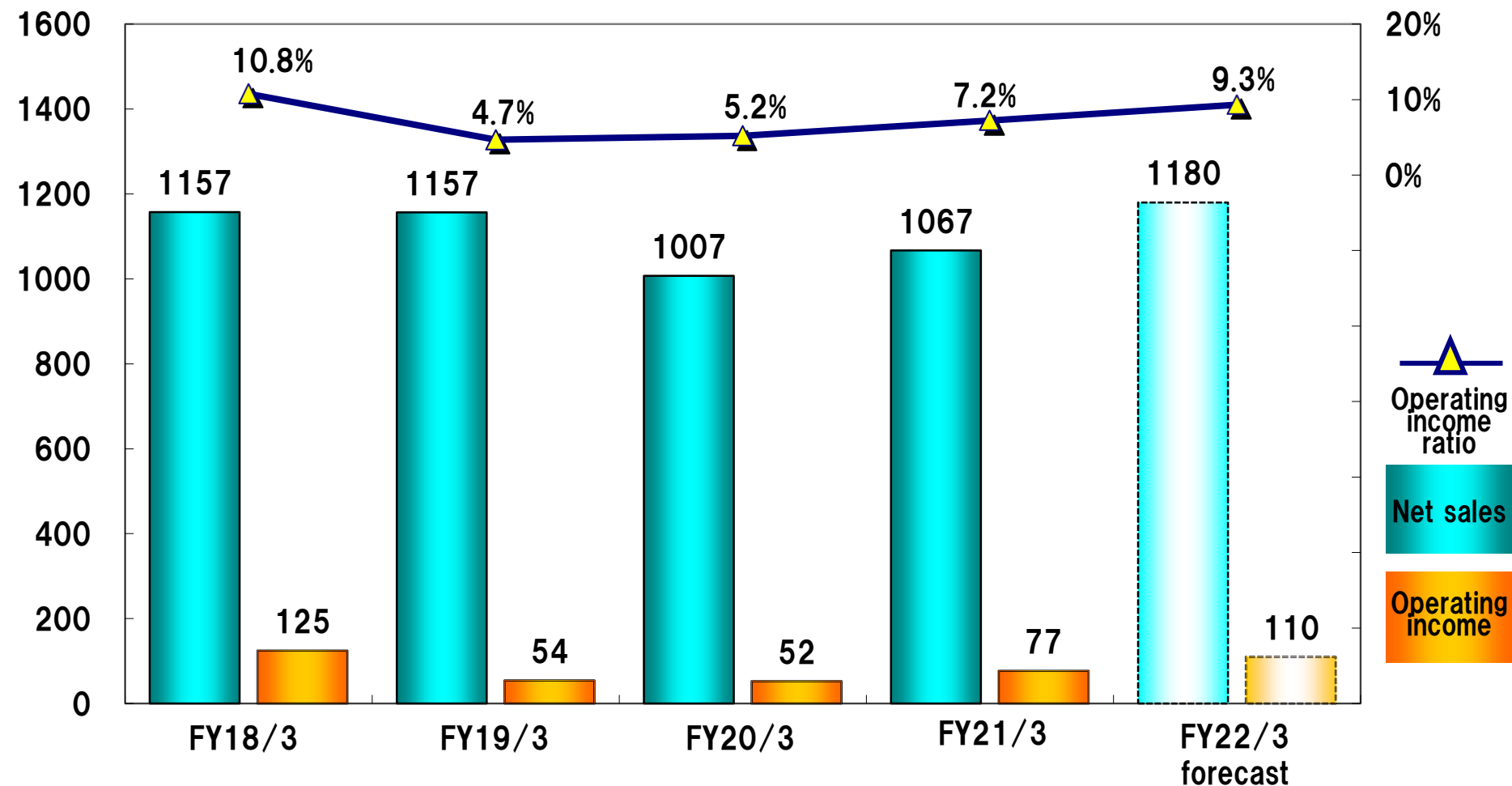
(Unit: one hundred million yen)



Total Company Earnings Forecasts

FY22/3	Net sales	Segment margin	Segment margin ratio	() YoY
1st half forecast	59.0 billion yen (+9.1)	5.5 billion yen(+3.1)	9.3%(+4.5)	
Full-year Results	118.0 billion yen(+11.3)	11.0 billion yen(+3.3)	9.3%(+2.1)	

(Unit: one hundred million yen)



Total Company Earnings Forecasts

(Unit: one hundred million yen)

	FY21/3 Results	FY22/3 Outlook				
		1st half	2nd half	Full year	Year-on-year Amount change	Year-on-year % change
Consolidate net sales	1,067	590	590	1,180	+ 113	+ 11%
Automatic machinery	142	75	75	150	+ 8	+ 6%
Components	926	515	515	1,030	+ 104	+ 11%
Operating income (Operating income ratio)	77 (7.2%)	55 (9.3%)	55 (9.3%)	110 (9.3%)	+ 33	+ 43%
Automatic machinery (Segment margin)	17 (11.7%)	8 (10.7%)	9 (12.0%)	17 (11.3%)	+ 0	+ 2%
Components (Segment margin)	101 (10.9%)	66 (12.8%)	66 (12.7%)	132 (12.8%)	+ 31	+ 31%
Ordinary income	78	55	55	110	+ 32	+ 41%
Net income	53	37	38	75	+ 22	+ 42%

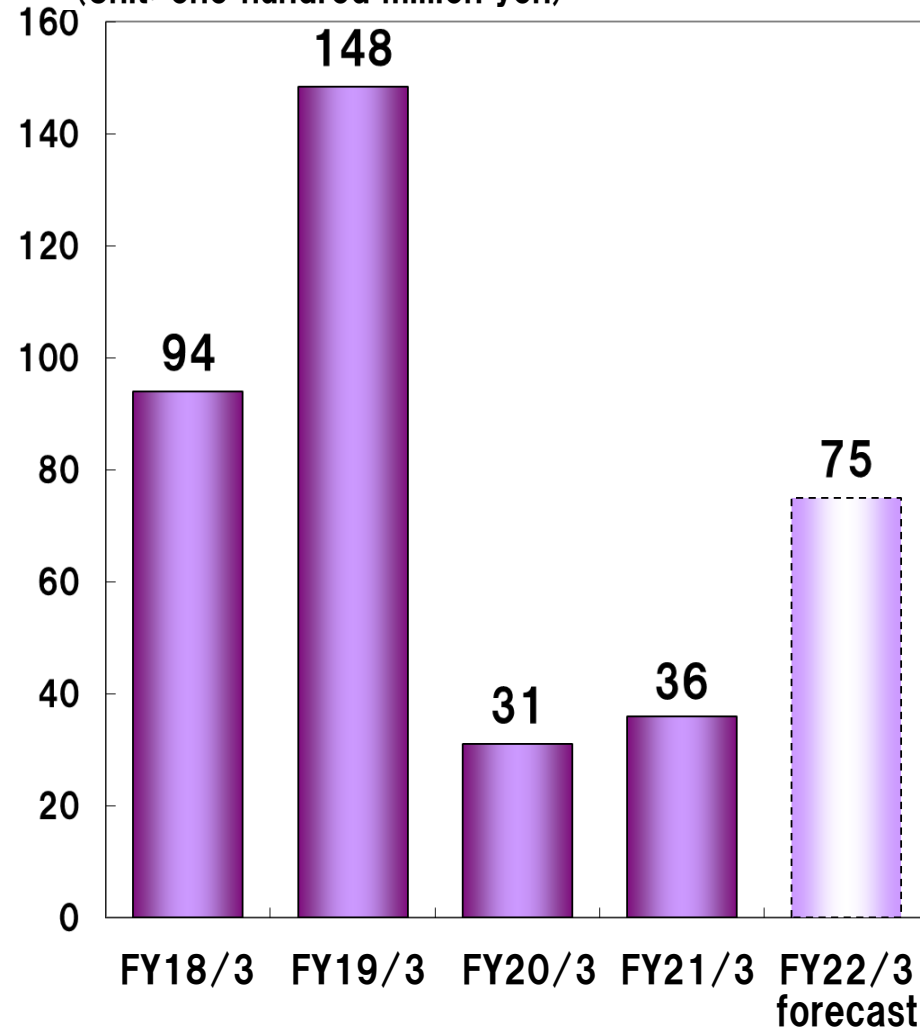
Investments



Investments

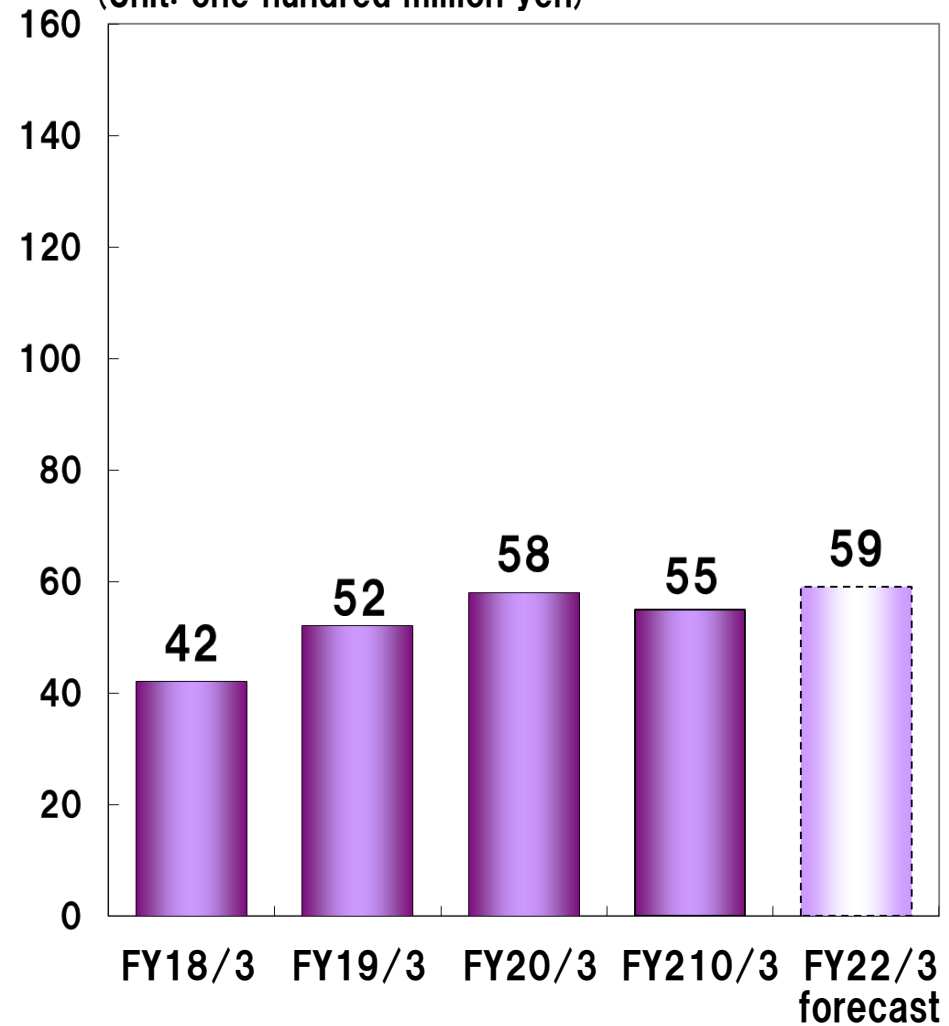
Investments in plant and equipment

(Unit: one hundred million yen)

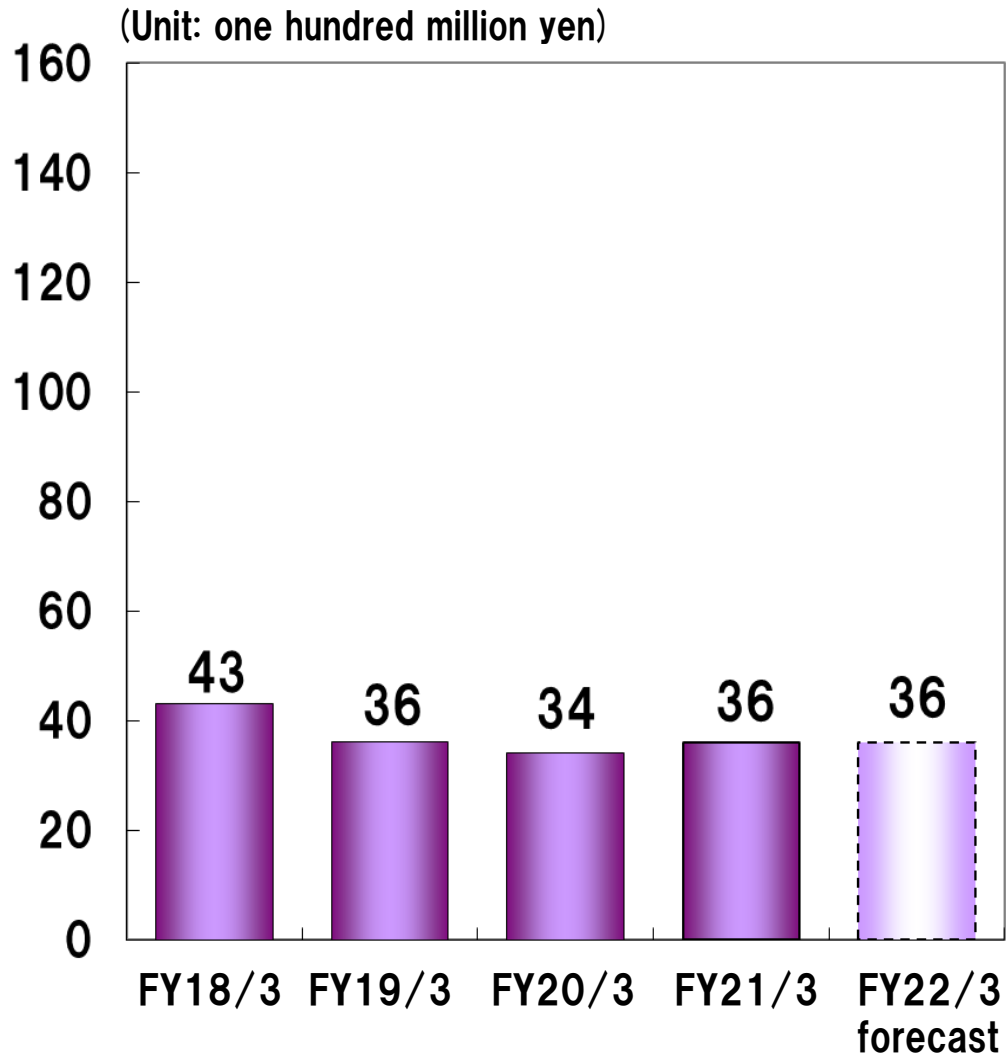


Depreciation costs

(Unit: one hundred million yen)



R&D Investments



Shareholders' return

■ Dividends

- FY21/3 year-end dividend: ¥17 per share



Dividends

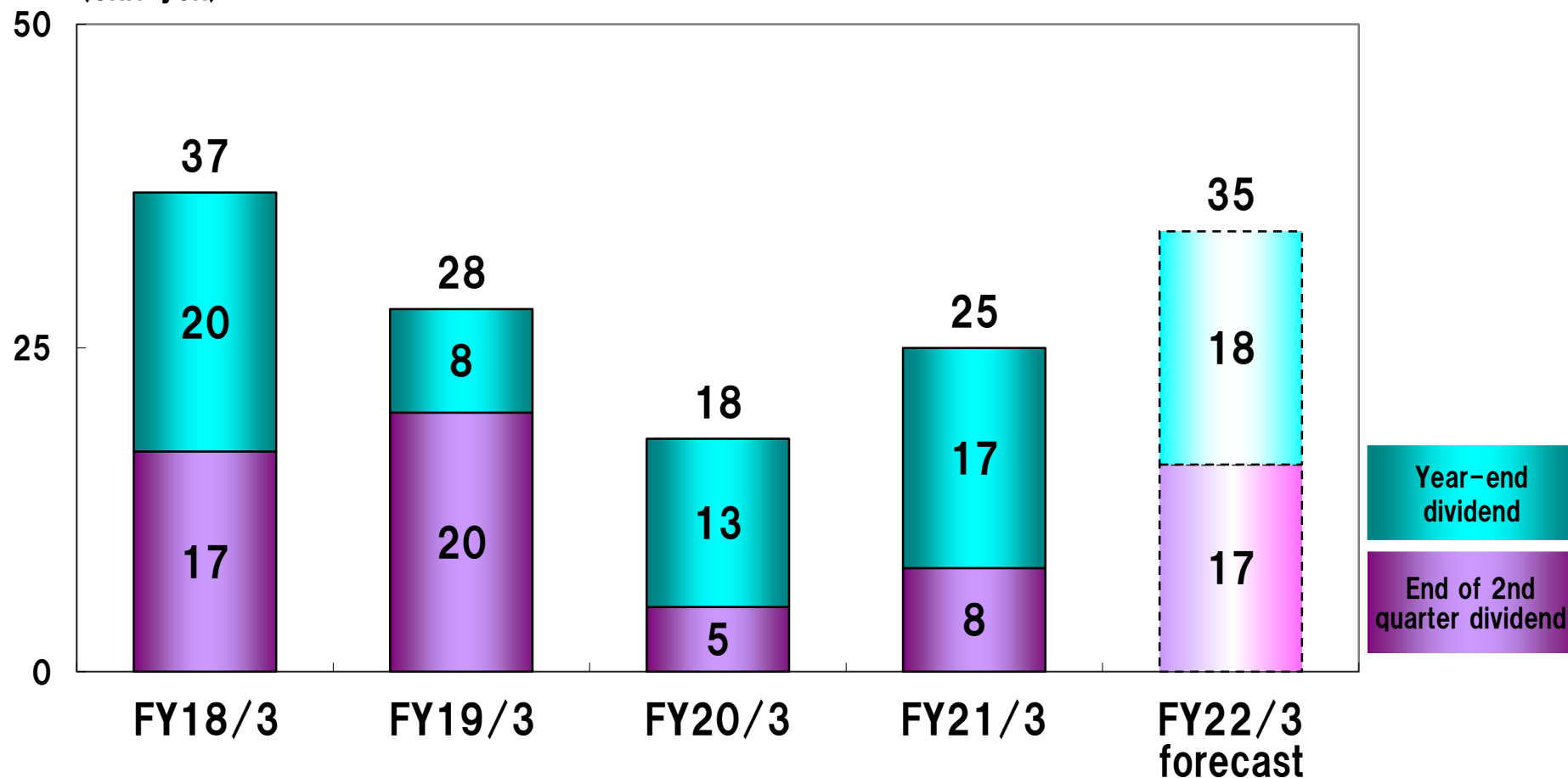
FY21/3 dividends

Year-end dividend ¥17 per share
Total dividends ¥1,133 million

Forecast for FY22/3 dividends

End of 2nd quarter dividend ¥17 per share
Year-end dividend ¥18 per share

(Unit: yen)



State of Medium-term Management Plan



Medium-Term Management Plan for 2 years

(Units: ¥100 million, () : Comparison of previous medium-term management plan) **3-year Accumulated Goal** **Total 2-year Sales(Progress Ratio)**

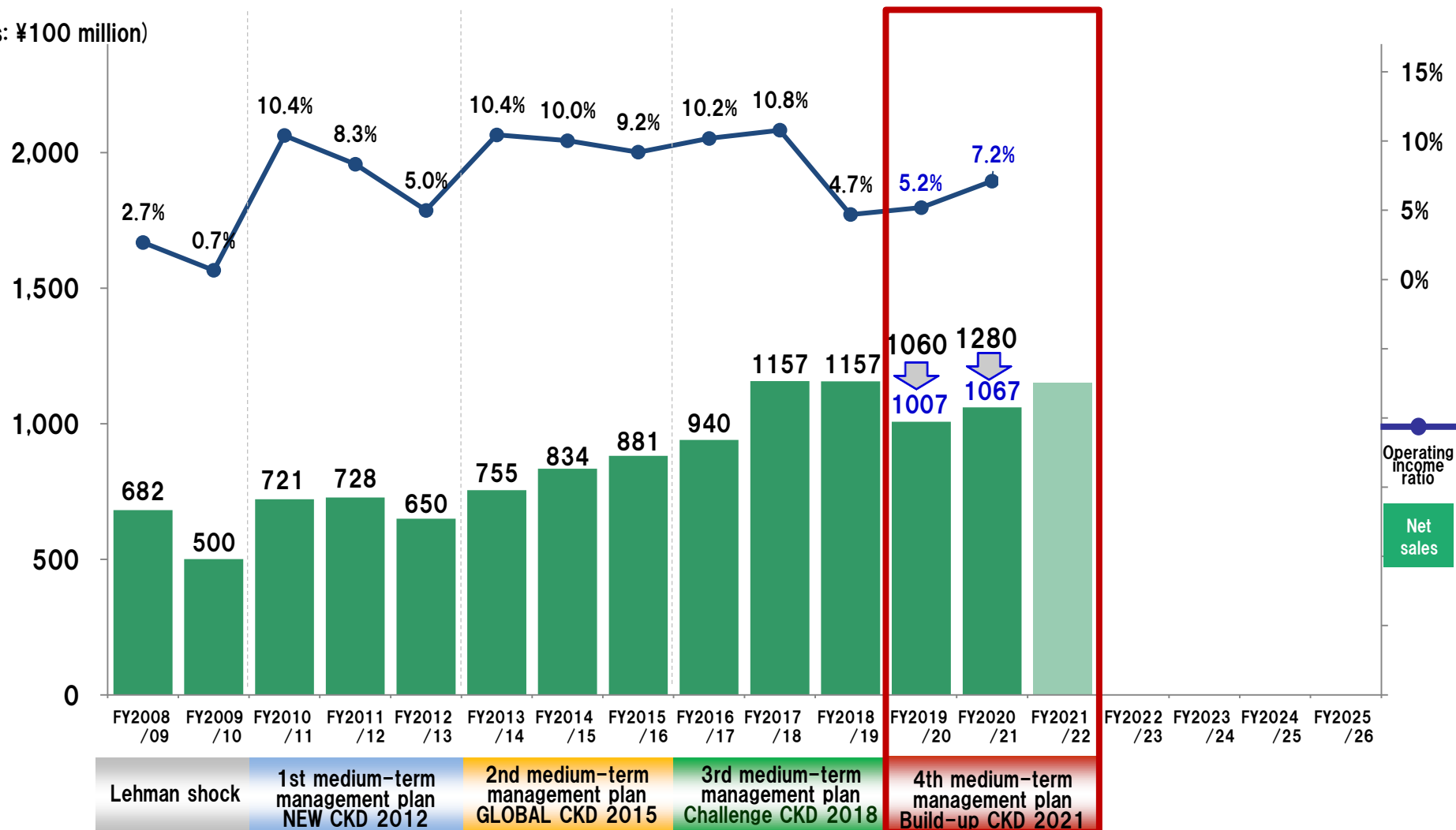
Sales	2,099	2,470 (+18%)	3,254 (+32%)	3,770 (+16%)
Operating income	168	244 (+45%)	275 (+13%)	316 (+15%)



2,074 (55%)

129 (41%)

(Units: ¥100 million)



State of the Medium-Term Management Plan : Automatic Machinery

Build-Up CKD 2021

3-Year Accumulated Sales Goal

¥53.7bn

2-Year Accumulated Sales Result (Progress Ratio)

¥30.0bn (56%)

Packaging

Pharmaceutical Packaging Systems

- Specialized machines for China: Local design, procurement, and production
- Japan: Strengthen services to cover 400 machines in operation



Food Packaging Systems

- Develop systems for new packaging materials and conduct exclusive sales of the materials



Pharmaceutical Packaging Systems

- Pharmaceutical packaging machines for the China Pharmaceutical Market

- Input specialized machines 300W First Order in April



- Utilization of new production building at our China Plant

- Japan: Service enhancement
- Add CKD Field Engineering Service Menu



Remote support



Breakdown predictive diagnosis

Industrial machinery

3D Solder Printing Inspection Machines

- US/Europe: Strengthen sales capabilities (local staff, technical support)
- Develop new models (expanded functions, upgrade operability)



Lithium-Ion Battery Winding Machines

- Japan: Prepare for next-generation batteries
- China: Establish partnerships, enter market



3D Solder Printing Inspection Machines

- Release of new VP9000 model



Lithium-Ion Battery Winding Machines

- Japan: Response to next-generation batteries

- Pre-doped equipment joint development agreement

- Inspection System (new)

- Release of IS-UVCL01 Transparent Object Inspection System

Automatic Machinery ①

■ Pharmaceutical packaging machine for the China Pharmaceutical Market

First order received in April 2021



FBP-300W

Capacity: 3,000 pills/min

Sales target Fiscal 2022: 1 billion yen

Specialized machines ver2 in China, May 2021

Plans to exhibit product as reference for the Chinese Exhibition (CIPM)



■ IS-UVCL01

Transparent Object Inspection System

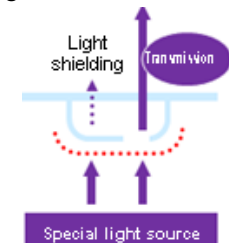
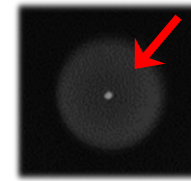
Released in March 2021

The use of special light sources enable the visualization of the transparent body

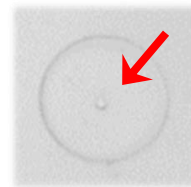
【Naked eye】



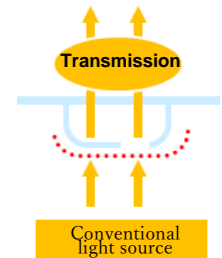
【Proprietary light source used】



【Conventional light source used】



- perforated
- thickness
- cracks
- chips
- etc.



Sales of inspection modules with non-specific applications



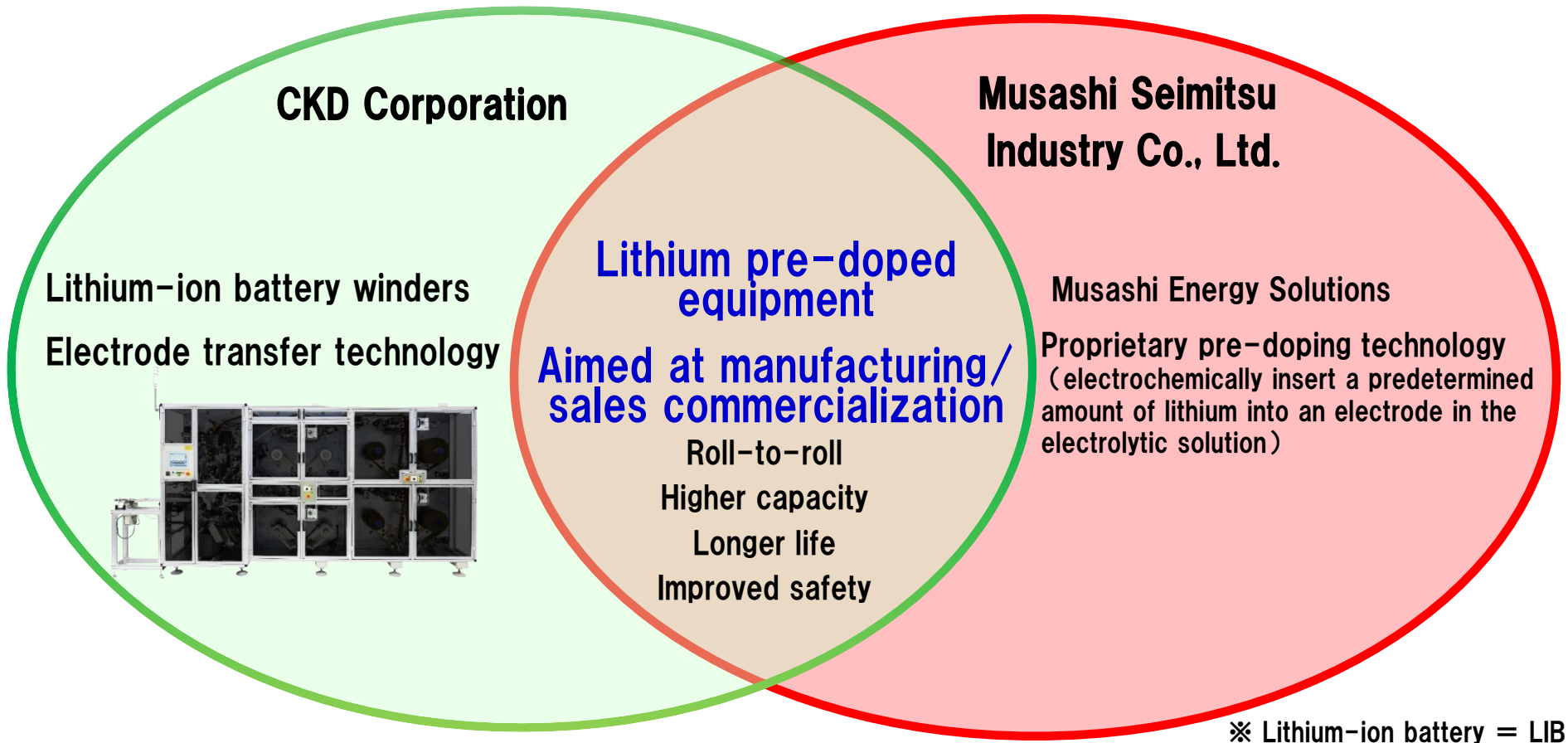
Sales target

Fiscal 2023: 0.4 billion yen

Automatic Machinery ②

■ Pre-doped equipment Joint development agreement

Released on April 14, 2021



Contributes to the realization of a sustainable society through manufacturing using Advanced Automation and Fluid Control Technologies

State of the Medium-Term Management Plan: Components

Build-Up CKD 2021

3-Year Accumulated Sales Goal

¥323.3bn

2-Year Accumulated Sales Result (Progress Ratio)

¥177.5bn (55%)

Fluid control equipment

Semiconductor Market

- Enhance functions of the North America technical center
- Expand unitized products through development, design, in-house production
- Use automation to achieve high production yields
- Expand market share by working closely with customers
- Begin local production in the United States
- Strengthen ability to meet China market needs



Agricultural Market

- Develop agricultural control equipment and enter the agriculture market



Semiconductor Market

- Preparation of New North America production base



Tohoku Plant Production Enhancement

- Expand the clean room
- Response to order change in Chinese market
- Expand semiconductor businesses



- Improve productivity through automation



Pneumatic equipment

Electric Motion Business

- Expand the variation of electric motion products
- Integrate CKD NIKKI DENSO products
- Develop linear actuators
- Begin in-house production, strengthen production system



Pneumatics

- Introduce detection equipment with IoT
- Expand human assist systems



Electric Motion Business

- Expand electric motion variations
- Integrated thin, guide, slider
- Various network compatible controllers



Pneumatics

- Expand IoT / network products
- Expand human assist systems



- Products with reduced environmental loads



Components ①

■ Tohoku Plant Production Enhancement Clean room expansion



Fine System Components

■ Response to order change in Chinese market Expand semiconductor business and Electric Motion Business



Fine System Components



Electric Motion Components

Against the backdrop of increasing demand for semiconductors, continue to expand production capacity in order to respond to future increases in orders

Components ②

■ Electric Motion Business

Expand electric actuator variations



Slider



Rod with built-in guide type



Rotary



Table type



2-Finger Gripper

Various network compatible controllers

PIO

CC-Link

EtherCAT

EtherNet/IP

IO-Link

compatible



■ Pneumatics

Expand IoT / network products



DeviceNet compatible



IO-Link compatible

Products with reduced environmental loads

2021 AICHI Environmental Award – Winner of the Golden Award



High durability components



Nitrogen gas extraction unit



Expand
High durability
components to
26 models

Responding to social issues such as labor shortages
with automated and labor-saving products for improved productivity

Medium-Term Management Plan Future thinking

■ Business environment and social changes

1. Business environment changes due to the impact of the Covid-19 pandemic

- Respond to changes in the business environment while continuing to implement infection prevention measures

2. Capital investment, which is indispensable for medium- to long-term growth, will continue while keeping an eye on the post-Covid-19 situation

- Response to the Chinese pharmaceutical market
- Response to future increases in semiconductor demand
- Efforts to improve productivity

3. Flexible response to social changes

- Handle labor shortages with automation and labor saving products
- Contribute to the environment and society while leading to sustainable performance improvements

Steadily manage business without changing the direction of the initiative

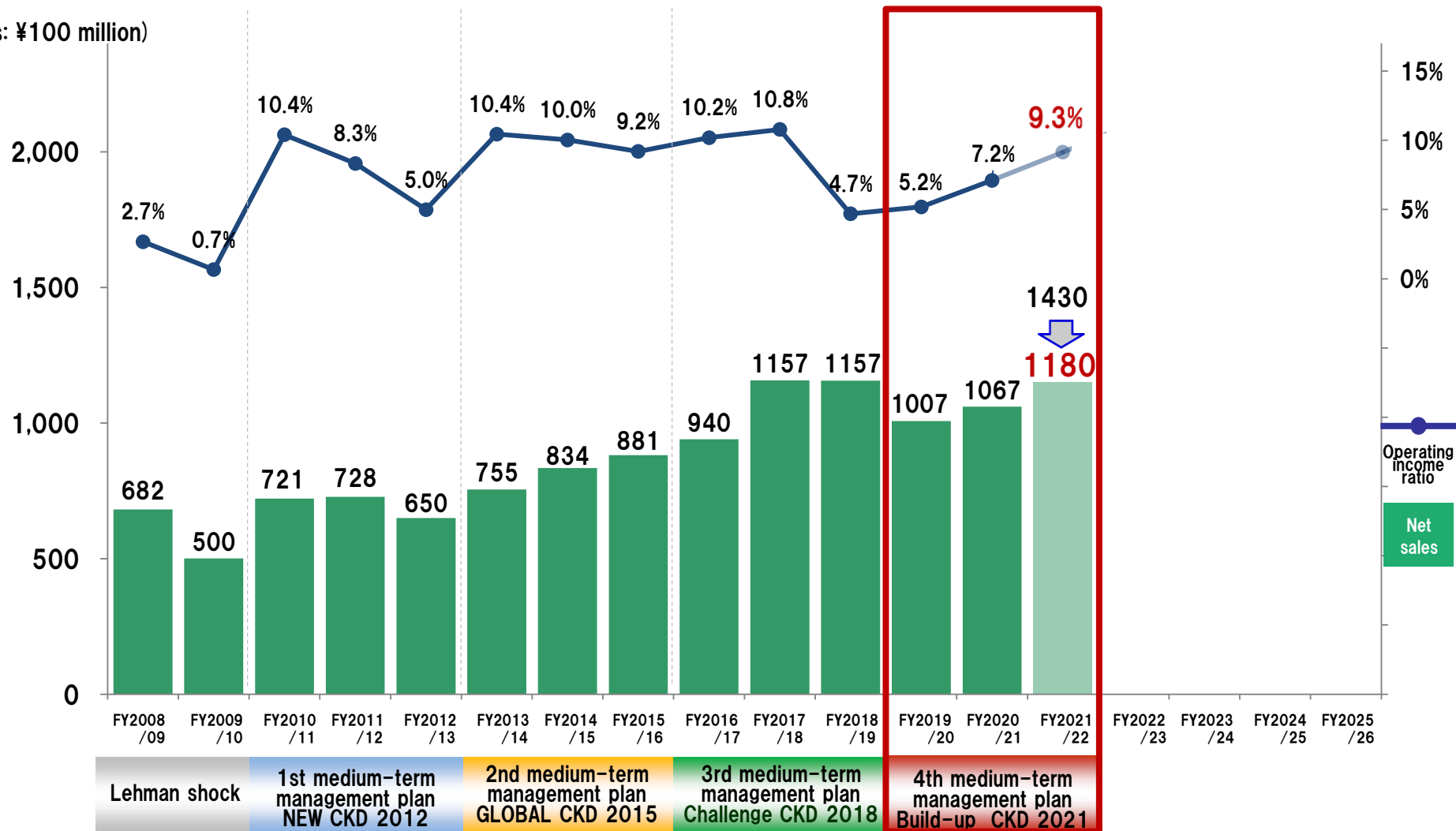
Medium-Term Management Plan Final year Goal

(Units: ¥100 million, (): Comparison of previous medium-term management plan) **3-year Accumulated Goal** **After repositioning (Compared to previous Med-Term Plan)**

Sales	2,099	2,470 (+18%)	3,254 (+32%)	3,770 (+16%)
Operating income	168	244 (+45%)	275 (+13%)	316 (+15%)

3,254 (±0%)
239 (▲13%)

(Units: ¥100 million)



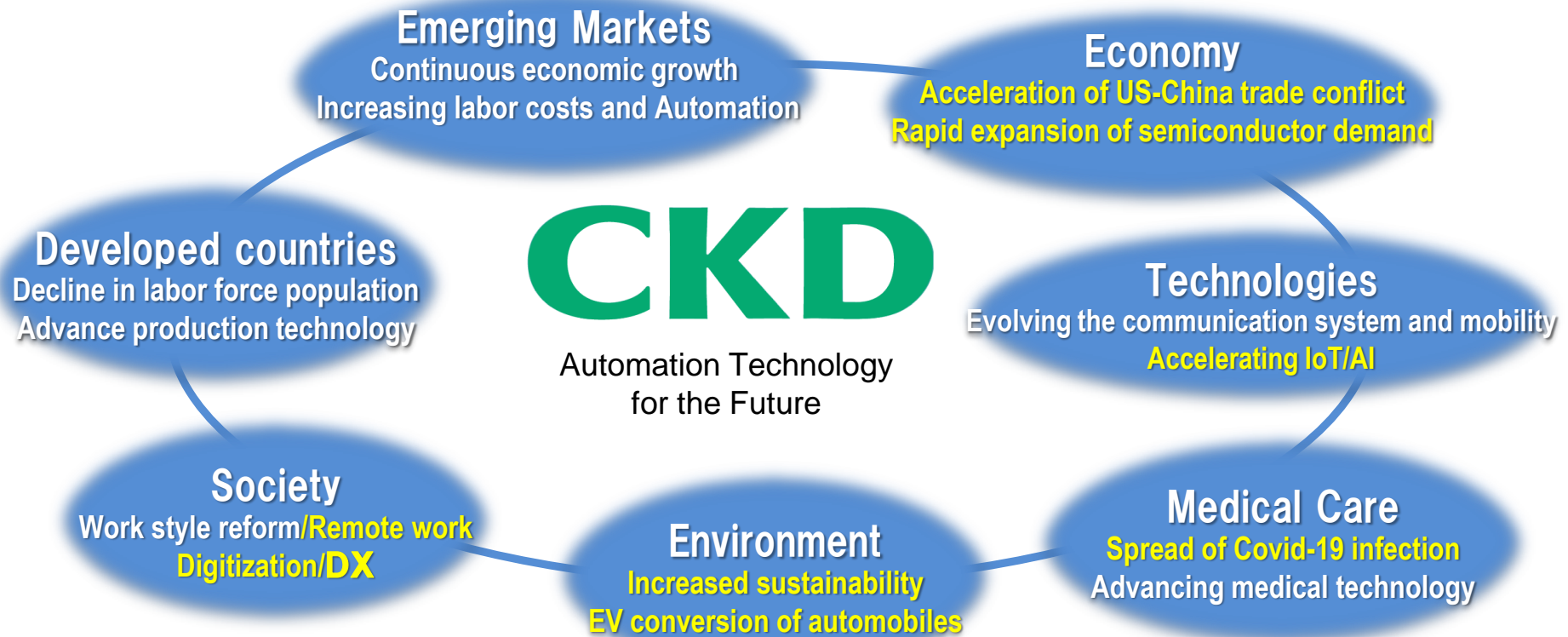
10-Year Vision

- Revised 10-Year Vision to flexibly respond to changes in the business environment and society

GO CKD!



Business Environment and Social Changes



10-Year Vision Targeting to be **Global Factory Automation (FA) Total Supplier**

Contribute to the
creation of a more
prosperous society

Make employees and
their families happy

Meet the
expectations of
shareholders

10-Year Vision GO CKD ! Basic Policy

Global Factory Automation (FA) Total Supplier

Basic Policy 1

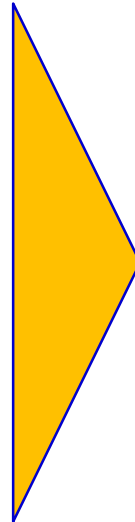
Challenges in new businesses
and markets

Basic Policy 2

Global promotion of products with
top market shares in Japan

Basic Policy 3

Strengthen the business base



Basic Policy 1

Challenges in new businesses
and markets

Basic Policy 2

**Accelerate globalization
and expand overseas markets**

Basic Policy 3

**Establish a sustainable
management base**

Basic Policy 4

**Build a corporate culture that
emphasizes human resources**

10-Year Vision GO CKD ! Goal

Global Factory Automation (FA) Total Supplier

Basic Policy 1

Challenges in new businesses and markets

Basic Policy 2

Accelerate globalization and expand overseas markets

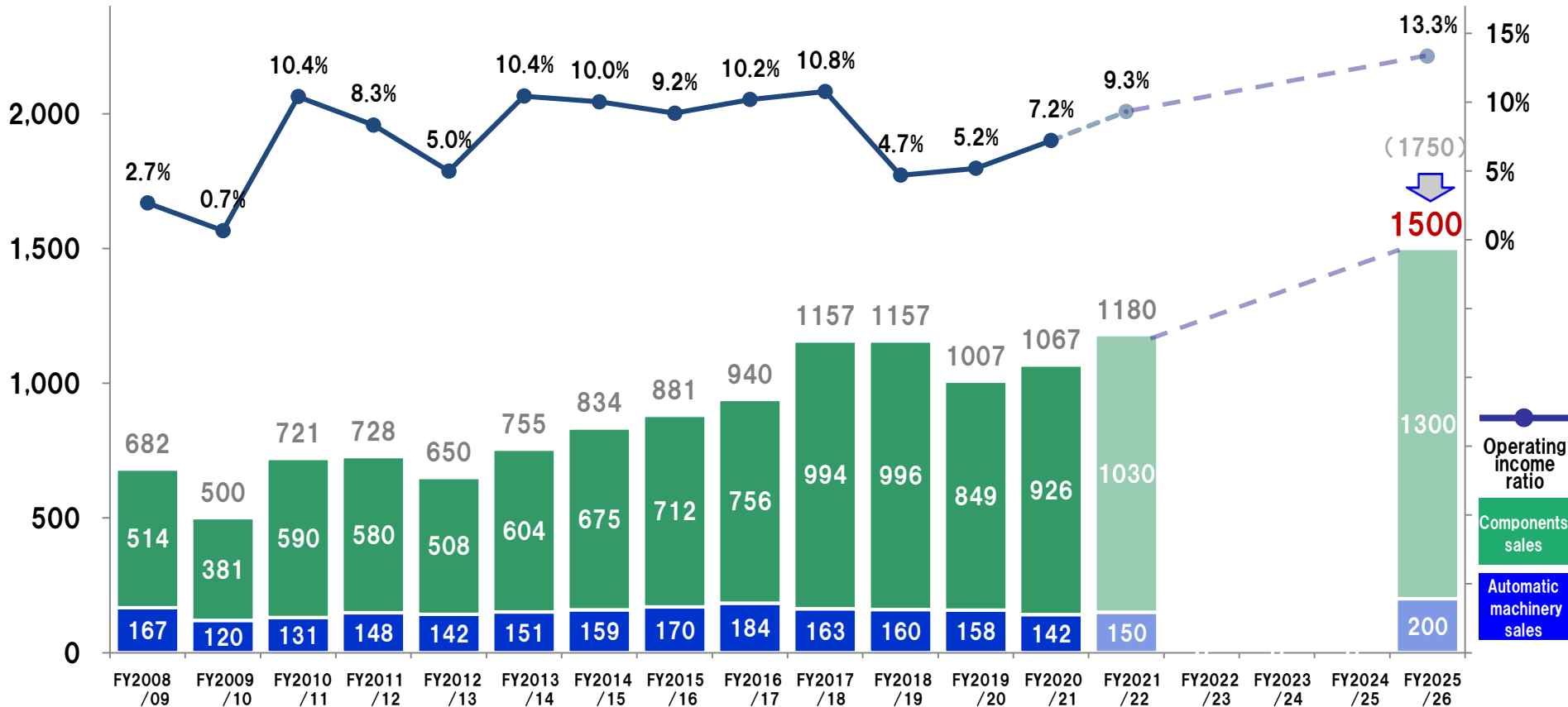
Basic Policy 3

Establish a sustainable management base

Basic Policy 4

Build a corporate culture that emphasizes human resources

(Units: ¥100 million)





Automation Technology for the Future

[Attention in regard to the handling of this material]

Notice about the future's perspective

The earnings outlook described in this document and the future's prediction are expectations judged according to the acquisition of present information available to CKD, and potential risk and uncertainty are present. Therefore, be advised that there is a possibility that the actual achievements will differ greatly from our perspective depending on changes in various factors described for the future.

About processing of the figures

Totals of the breakdown may not parallel with the total because a fraction less than a unit is rounded up for the mentioned price, and the ratio is the calculated from the yen unit and result rounded up.